

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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NOTIFICATION OF CHANGES IN TAX ADJUSTMENTS

Addendum

UNITED KINGDOM

This notification is made pursuant to paragraph 40 of L/3464.

The following changes in indirect taxation, consequent upon the Chancellor of the Exchequer's Budget Statement to the House of Commons on 11 April 1978, have been embodied in the Finance Act 1978, which received Royal Assent on 31 July. A copy of the Act is enclosed.

1. A supplementary rate of excise duty will be imposed, with effect from 4 September 1978, on cigarettes with a tar yield of 20 mg. or more. (Section 1 of the Act.)
2. Provision was made for the refund of excise duty on beer, wine, made-wine and cider used for the manufacture of vinegar, certain low-strength beverages and various other articles. (Section 2 of the Act.)
3. Various changes in VAT legislation have been made in order to simplify the operation of the tax, especially for smaller businesses. The major ones are an increase in the level of turnover at which registration for the purposes of the tax becomes compulsory (section 11 of the Act), and provision for relief from the VAT element of a bad debt where the debtor has become formally insolvent (section 12 of the Act).

